

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF GAS COST ADJUSTMENT)	
FILING OF WESTERN LEWIS-)	CASE NO. 92-331-NN
RECTORVILLE WATER AND GAS DISTRICT)	

ORDER

On May 12, 1993, in Case No. 92-331, the Commission approved rates for Western Lewis-Rectorville Water and Gas District ("Western Lewis") and provided for their further adjustment in accordance with Western Lewis's gas cost adjustment ("GCA") clause.

On October 15, 2001, Western Lewis filed its GCA to be effective November 1, 2001. Western Lewis requests a waiver of the 30-day notice period because it did not receive its expected gas rates from its supplier until on or about October 6, 2001. As KRS 278.280(2) permits the Commission to shorten the required notice period for a reduction of rates, the Commission finds the utility's request should be granted.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Western Lewis's notice includes revised rates designed to pass on to its customers its expected decrease in wholesale gas costs. Western Lewis's proposed expected gas cost ("EGC") is \$184,025 or \$3.2493 per Mcf. Western Lewis incorrectly calculated its total EGC, which should have been \$181,850. Correcting for this error produces an EGC of \$3.2108 per Mcf, which is a decrease of 56.27 cents per Mcf from the prior EGC of \$3.7735.

2. Western Lewis's notice sets out no refund adjustment.

3. Western Lewis's notice sets out a current actual adjustment ("AA") of 90.93 cents per Mcf. Western Lewis incorrectly calculated its total cost difference as an under-collection of \$51,492 rather than an over-collection of \$69,396. Correcting for this error produces a current quarter AA of (\$1.2252) per Mcf. Western Lewis's total AA for the period is .52 cent per Mcf, which is \$1.1985 per Mcf less than the previous total AA.

4. Western Lewis's notice sets out a current balance adjustment ("BA") of \$1.5433 per Mcf. Western Lewis incorrectly calculated its total balance adjustment amount and also used the incorrect sales volume. Correcting for these errors produces a current quarter BA of .11 cent per Mcf. Western Lewis's total BA is 1.13 cent per Mcf, which is .11 cent per Mcf more than the previous total BA.

5. These combined adjustments produce a gas cost recovery rate ("GCR") of \$3.2273 per Mcf, which is \$1.7601 per Mcf less than the previous rate of \$4.9874.

6. The rates in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be approved for bills rendered by Western Lewis on and after November 1, 2001.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are approved for bills rendered on and after November 1, 2001.

2. Within 20 days of the date of this Order, Western Lewis shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 1st day of November, 2001.

By the Commission

ATTEST:

A handwritten signature in black ink, appearing to read "Thomas W. [unclear]", written over a horizontal line.

Executive Director

